

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF WESTERN)	CASE NO. 95-010-KK
KENTUCKY GAS COMPANY)	

O R D E R

On September 29, 1995, in Case No. 95-010, the Commission approved adjusted rates for Western Kentucky Gas Company ("Western"), with their further adjustment to be made in accordance with the monthly gas cost adjustment ("GCA") approved in the final Order in Case No. 92-558.¹

On August 31, 1998, Western filed its monthly GCA to be effective from October 1, 1998 to November 1, 1998.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Western's notice proposed revised rates designed to pass to its firm sales customers an expected wholesale decrease in gas costs. Western's expected gas cost ("EGC") for firm sales customers is \$3.2385 per Mcf, a decrease of .08 cent per Mcf from the previous EGC. The EGC proposed for high load factor ("HLF") firm customers is \$2.6350 per Mcf.

¹ Case No. 92-558, In the Matter of Limited Rate Change of Western Kentucky Gas Company, Order dated November 20, 1995.

Western also proposed to pass to its interruptible customers a wholesale decrease in gas costs. Western's proposed EGC for interruptible sales customers is \$2.6350 per Mcf.

2. Western has \$343,837 in refunds and interest remaining from previous quarters to return to its customers. The current quarter refund factor for sales customers is 1.3 cents per Mcf. Total refund factors of 2.41 cents per Mcf for firm sales customers and 2.19 cents per Mcf for interruptible customers reflect the current adjustment as well as adjustments from previous months, and represent a decrease of 1.3 cents per Mcf from the previous month's refund factors.

Total refund adjustments for T-2 firm and T-2 interruptible transportation customers are .30 cent per Mcf and .08 cent per Mcf, respectively.

3. Western's notice set out its new 6-month correction factor ("CF") of (31.10) cents per Mcf which will remain in effect until April 1, 1999. The CF is designed to return net over-collections of gas cost from the 6-month period ending June 30, 1998. The new CF is 19.63 cents per Mcf less than the CF previously in effect.

4. These adjustments produce gas cost adjustments of (\$.5297) per Mcf for firm sales customers, (\$1.1332) per Mcf for HLF customers, and (\$.3492) per Mcf for interruptible sales customers. The impact on firm sales customers' bills is a decrease of 21.01 cents per Mcf from the previous gas cost adjustment of (\$.3196).

5. The rate adjustments in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be effective for final meter readings on and after October 1, 1998.

6. Western included with its notice a petition for confidential protection of pages five and six of Exhibit D of its filing. The information on these pages discloses the actual price being paid by Western to individual marketing companies and other suppliers of gas. The disclosure of this information is likely to cause harm to Western's competitive position. The information should, therefore, be held by this Commission and treated as confidential.

IT IS THEREFORE ORDERED that:


1. The rates in the Appendix to this Order are fair, just, and reasonable and are approved effective for final meter readings on and after October 1, 1998.
2. Within 30 days of the date of this Order, Western shall file with the Commission its revised tariffs setting out the rates authorized in this Order.
3. The information for which Western requested confidential protection shall be treated as confidential.

Done at Frankfort, Kentucky, this 22nd day of September, 1998.


PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 95-010-KK DATED SEPTEMBER 22, 1998.

The following rates and charges are prescribed for the customers in the area served by Western Kentucky Gas Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES:

Applicable to: General Sales Service Rate G-1

Gas Cost Adjustment

To each bill rendered under the above-named rate schedules there shall be added an amount equal to: (\$.5297) per Mcf of gas used during the billing period.

Applicable to: HLF General Sales Service

Gas Cost Adjustment

To each bill rendered under the above-named rate schedules there shall be added an amount equal to: (\$1.1332) per Mcf of gas used during the billing period.

Applicable to: Interruptible Sales Service Rate G-2

Gas Cost Adjustment

To each bill rendered under the above-named rate schedules there shall be added an amount equal to: (\$.3492) per Mcf of gas used during the billing period.